

Message Text

LIMITED OFFICIAL USE

PAGE 01 QUITO 03067 091815Z

63

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 DODE-00 FEA-02 FPC-01 H-03 INR-10 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 AGR-20 FAA-00 EA-11 DRC-01

DOT-00 /176 W

----- 094170

R 091431Z MAY 74

FM AMEMBASSY QUITO

TO USDOC WASHDC

INFO AMCONSUL GUAYAQUIL

AMEMBASSY LIMA

SECSTATE WASHDC 0987

LIMITED OFFICIAL USE QUITO 3067

COMMERCE FOR OED/MEPD/MR. RANDOLPH; LIMA FOR FAA REP AND REGIONAL
INTEGRATION OFFICER

E.O. 11652: N/A

TAGS: BEXP, BMEP, EC

SUBJECT: VISIT OF JOHN N. RANDOLPH, JR., APRIL 19-23

REF: STATE 73969

1. VISIT BY RANDOLPH WAS CONSIDERABLY USEFUL TO EMBASSY EFFORTS.
AT OUTSET HE MET WITH MISSION COMMERCIAL TASK FORCE AND DISCUSSED
WORK OF MEPD AND SUPPORT IT CAN PROVIDE POST. DURING 1-1/2 WORKING
DAYS IN QUITO, RANDOLPH HAD FULL SCHEDULE OF TEN APPOINTMENTS/
SOCIAL FUNCTIONS. FOLLOWING IS SUMMARY OF MAJOR VISITS, PROJECTS
DISCUSSED, AND PROBLEMS WHICH RANDOLPH WAS ASKED TO HELP RESOLVE.

2. MONDAY, APRIL 22, COLONEL RENE VARGAS, GENERAL MANAGER OF
CEPE, ECUADOREAN STATE PETROLEUM CORPORATION. ACCORDING VARGAS,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 QUITO 03067 091815Z

CEPE HAS THREE MAJOR-PROJECT CATEGORIES: A. EXPLORATION AND EX-

PLOITATION OF PETROLEUM IN ORIENTE REGION, AND OF NATURAL GAS IN GULF OF GUAYAQUIL. REGARDING FORMER, CONTRACTS HAVE BEEN SIGNED WITH CAYMAN AND OKC, BOTH U.S. COMPANIES, AND OTHER CONTRACTS WILL BE NEGOTIATED WITH ARGENTINIAN YPF AND POLISH KOPEX AS RESULT OF RECENT GOE TENDER. FOR GULF GAS, VARGAS BELIEVES ADA CONSORTIUM WILL RECEIVE AWARD OF CONTRACT. B. SECOND CATEGORY IS INDUSTRIALIZATION. GOE HOPES TO ERECT A PETROLEUM REFINERY OF 150,000 B/D, IN ADDITION TO 55,000 B/D REFINERY AWARDED TO SUMITOMO-CHIYODA. THIS MOST LIKELY WILL BE CONSIDERED FOR INSTALLATION NEAR GUAYAQUIL. THE REFINERY WOULD BE DESIGNED TO PRODUCE A MAXIMUM OF PETROCHEMICAL FEEDSTOCKS. VARGAS APPEARED TO PLACE HOPE IN CAYMAN AND OTHER COMPANIES, RATHER THAN IN TEXACO-GULF, TO PROVIDE REQUIRED INCREASE IN PRODUCTION, AND INTIMATED POSSIBILITY OF SECOND PIPELINE TO CARRY INCREASE. ANOTHER INDUSTRIAL PROJECT WILL BE PETROCHEMICAL PLANT, INTEREST IN CONSTRUCTION OF WHICH HAS BEEN EXPRESSED BY BOTH DOW AND E.I. DUPONT. VARGAS HAS ALSO BEEN APPROACHED BY VALLEY NITROGEN OF CALIFORNIA TO HELP BUILD AMMONIA AND UREA PLANT PROJECTED BY CEPE. C. THIRD CATEGORY IS TRANSPORTATION. CEPE WILL SOON PUBLICIZE CALL FOR BIDS FOR A COMPANY TO CONDUCT FEASIBILITY STUDY FOR CONSTRUCTION OF PIPELINE SYSTEM TO CARRY PETROLEUM PRODUCTS FROM REFINERIES TO MAJOR POPULATION CENTERS OF COUNTRY. BID DEADLINE FOR QUALIFICATION WILL BE 90 DAYS. VARGAS SAID WILLIAMS BROS. HAS EXPRESSED INTEREST. ANOTHER TRANSPORT PROJECT IS CONSTRUCTION OF PIPELINE TO CARRY LPG FROM LIQUIFYING PLANT UNDER CONSIDERATION FOR SHUSHUFINDI OILFIELD.

3. MONDAY, APRIL 22, MAJOR CARLOS TOBAR, DEPUTY DIRECTOR, ARMY INDUSTRIES ADMINISTRATION. TOBAR SAID A MAJOR AIA PROJECT IS CONSTRUCTION OF DIRECT-REDUCTION INTEGRATED STEEL PLANT. AMONG FOREIGN FIRMS INTERESTED ARE TWO GERMAN, ONE SWISS AND ONE AMERICAN (ARMCO). NO DEADLINE EXISTS FOR PROJECT. TOBAR PROMISED TO PROVIDE TERMS OF REFERENCE FOR PROJECT. AIA ALSO HAS IN MIND CONSTRUCTION OF MUNITIONS PLANT TO PRODUCE 6 MILLION CARTRIDGES PER YEAR FOR MILITARY USE, AS WELL AS SMALLER-SIZE HUNTING AMMUNITION. FACTORY TO BE TURN-KEY PROJECT. THIRD PROJECT IS PLANT TO ASSEMBLE ABOUT 40,000 M-16 RIFLES PER YEAR. TOBAR ASKED RANDOLPH TO ASSIST IN LOCATING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 QUITO 03067 091815Z

U.S. COMPANY WILLING TO ENTER MIXED ENTERPRISE FOR PRODUCTION OF HYDRAULIC PUMPS FOR USE IN TRUCKS AND TRACTORS. CAPACITY WOULD BE 8,000 PUMPS PER YEAR. AIA WISHES FOREIGN FIRM TO PROVIDE 30 PERCENT OF CAPITAL AS WELL AS TECHNOLOGY. OTHER AIA PROJECTS: PURCHASE OF 1,629 MILITARY VEHICLES FROM FIRM ALSO WILLING TO ESTABLISH ASSEMBLY PLANT FOR LATER PRODUCTION OF SAME TYPE VEHICLES; CEMENT PLANT, DETAILS OF WHICH WILL BE PROVIDED TO EMBASSY; PLANT FOR PRODUCTION OF ROLLED STEEL PLATES FOR PIPES; AND FACTORY TO PRODUCE METAL BUILDINGS

(TOBAR SAID THAT PROJECT WAS DEFERRED WHEN U.S. FIRM, "STRAND STEEL", HAD BEEN CONTACTED AND SHOWED NO INTEREST).

4. MONDAY, APRIL 22, LEONEL SARMIENTO, DIRECTOR, NATIONAL DEVELOPMENT CENTER (CENDES). SARMIENTO EXPLAINED TO RANDOLPH THAT CENDES IS CHARGED WITH PRE-FEASIBILITY STUDIES FOR ALL GOE PROJECTS, AND IN SOME CASES FEASIBILITY STUDIES AS WELL. GNERAL STUDY OF THE STEEL PLANT (WHICH, ACCORDING SARMIENTO, IS A CENDES PROJECT) WILL BE COMPLETED IN AUGUST/SEPTEMBER 1974. BECHTEL CORPORATION HAS BEEN CONTRACTED FOR THIS FIRST STAGE. BID WILL THEN BE ANNOUNCED FOR COMPANY TO CONDUCT PRE-FEASIBILITY STUDY. ANOTHER CENDES PROJECT IS UPCOMING STUDY FOR A SUGAR-CANE PROCESSING PLANT, CONSTRUCTION OF WHICH WILL BE RESPONSIBILITY OF NATIONAL PLANNING BOARD (JUNTA DE PLANIFICACION). ALSO MENTIONED DURING CENDES VISIT WE
E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974QUITO03067
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740113-0953
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740561/aaaaccfy.tel
Line Count: 124
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 73969
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 12 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 SEP 2002 by WorrelSW>; APPROVED <10 FEB 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VISIT OF JOHN N. RANDOLPH, JR., APRIL 19-23
TAGS: BEXP, EC
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005